



Developing communities in a state of

progress



Indiana

Be in a state of progress

<i>Operating from a position of strength</i>	<i>Page 1</i>
<i>Indiana by the numbers</i>	<i>Page 4</i>
<i>Uniting businesses, the workforce and families in Michigan City</i>	<i>Page 6</i>
<i>New Albany & Jeffersonville. A prescription for downtown growth</i>	<i>Page 8</i>
<i>Richmond. Main Street turns high-tech</i>	<i>Page 10</i>
<i>Going global in Huntertown & Terre Haute</i>	<i>Page 12</i>
<i>Wheatfield. A boost for the economy and the environment</i>	<i>Page 14</i>
<i>Three times lucky for Toyota and Gibson County</i>	<i>Page 16</i>
<i>Randolph County. Moving in the right direction</i>	<i>Page 18</i>
<i>Warsaw. Orthopedics capital of the world</i>	<i>Page 20</i>
<i>High-tech shifts into high gear in Central Indiana</i>	<i>Page 22</i>
<i>Lilly creates 7,500 new high-tech jobs in Indianapolis</i>	<i>Page 24</i>
<i>Midwest ISO and Internet2. Energizing Indiana, connecting the nation</i>	<i>Page 26</i>
<i>Progress in e-commerce – Unlocking a web of possibilities</i>	<i>Page 27</i>
<i>Resources</i>	<i>Page 28</i>

Operating from a position of Strength

Cutting-edge communities. A skilled, educated workforce. Twenty-first-century businesses. These are the characteristics of a dynamic economy. They are also the strengths of Indiana's business climate.

That means helping workers gain new skills for the emerging economy, and helping companies maintain that workforce. It means helping communities improve their infrastructure, competitiveness and efficiency. It means helping global businesses grow aggressively and responsibly.

In short, it means making Indiana the very best place to live and work.

We know that we are operating from a position of strength. Unemployment is at an all-time low. We have lower state and local taxes than any of our Midwest competitors. And, in the last three years, Indiana has enjoyed \$1.5 billion in tax cuts. Indiana is consistently near the top of the nation in home ownership rate. When you combine that with our low cost of living and low utility rates, doing business in Indiana makes sense.

Another primary advantage to doing business in Indiana is our central location and excellent transportation network. When we call ourselves the "Crossroads of America," we're right on target – 65 percent of the nation's population is within a one-day drive of Indiana.

In 1999, the Indiana Department of Commerce partnered with local leaders in communities throughout the state to build on those strengths. From traditional businesses like the automotive industry to our high-tech companies, we continue to compete for economic growth.

Competing ... and winning

When competing with other states, our EDGE (Economic Development for a Growing Economy) program has been vital to our success. In 1999, 13 companies were approved for these tax credits, helping create a projected 10,377 new Hoosier jobs – jobs that may have gone elsewhere if it weren't for the strong



Lt. Governor Joe Kernan

partnership among Commerce, local development organizations and the private sector.

In 1999, Commerce helped hundreds of businesses grow. Among them were 28 that decided to expand or locate in Indiana rather than a competing state – thanks in large part to EDGE along with other state and local incentives.

At the same time Commerce's IDGF (Industrial Development Grant Fund) program helped improve upon one of Indiana's oldest strengths – infrastructure. By addressing a community's public works needs for continued economic growth, this program makes Indiana locations even more attractive to businesses.

Certainly, our successes have brought new companies into the state, but most of our resources are targeted for existing Indiana businesses – the backbone of our economy. We know Indiana's strong foundation has brought us the prosperity we enjoy today, and those existing companies have helped shape Hoosier communities over the years. As those companies continue to grow, a well-trained workforce is vital, and Commerce's Training 2000 grant program helps do just that – playing a key role in the continued development of long-term employees as well as new hires.

In 1999, Commerce helped 210 companies expand or open new facilities in Indiana. When you tally up the impact of all business development incentives, 18,000 new jobs were created, while more than 51,000 Indiana workers enhanced their skills through Training 2000.

Global leadership, local success

While many of our resources support success for Indiana businesses domestically, it's vital that our companies continue to enjoy success in the international marketplace. We must embrace the future and compete in an increasingly global economy.

Commerce's International Trade Division is a leader in this effort. Through 12 overseas offices, plus the Trade Show Assistance Program, Indiana companies enjoy easy access to markets worldwide. We continue growing internationally – in 1999 Hoosier exports rose for the 12th straight year to almost \$14 billion. That represents a growth of more than 4 percent –

once again, a rate higher than the national average. The global economy works two ways. First, we put more Hoosier products in the worldwide market. We're doing just that. We also need to encourage international companies to invest in Indiana. Foreign investors find Indiana very attractive. In fact, Indiana ranks third nationally in Japanese-owned manufacturing firms. By strengthening those relationships – through our foreign offices, trade shows and trade missions – we will build upon our successes.

More than a quarter of a million Hoosier jobs are directly tied to exports. That number will continue to grow. It's vital for all economic development officials to encourage businesses in their area to aggressively pursue international markets. With the assistance, research and expertise available through our International Trade Division, we can help our companies take those crucial first steps into the global marketplace.

Attracting a crowd

While we want our companies to look to the world for customers, we also want the world to look to Indiana as a travel destination. Tourism is big business in Indiana, and our international market is growing.

Indiana has a wealth of events and attractions to offer international and domestic visitors. Attracting visitors, like attracting a business, works best through partnerships. By working with communities throughout the state, our Tourism Division's \$4.5 million budget was matched with more than \$2 million in local contributions, promoting the state through cooperative advertising, guidebook publishing and web site projects.

Another example of that close partnership is the 1999 Indiana Travel Guide, the largest public/private tourism promotion of its kind in the nation. Tourism invested \$100,000 in the 1999 guide, while more than 1,500 hospitality industry businesses invested an additional \$1.1 million.

Partnerships also played a role in Tourism's new web site and online database. We dramatically increased the amount of travel information available on the web, and now have an on-line trip planner.

Individual hospitality organizations also benefit from Tourism's efforts. Through our Tourism Information and Promotion Fund (TIPF), marketing funds are provided to organizations that promote tourism in their region.

We continue to promote film development within the state. This year seven movies utilized Indiana locations, including the feature film "Madison," shot almost entirely within Indiana.

Lt. Governor Joe Kernan and Governor Frank O'Bannon



Building Hoosier communities

We want Hoosiers to have the very best quality of life. That means affordable housing, excellent child care, improved public works, along with continuing economic opportunities – the goals of the Community Development Division.

Through various programs, Community Development works with counties, cities and towns throughout the state to provide that better life. In 1999, Indiana was made stronger and healthier through its efforts – whether by matching a savings account to help low-income Hoosiers realize their dreams, helping fund a growing child care facility, or granting support to expand a senior center. Throughout the year, communities have benefited from more than \$35 million in Community Development assistance.

In addition, our enterprise zone program continues to expand opportunities for businesses and residents within urban areas. In 1999, zone businesses realized nearly \$40 million in tax savings as a result of being located within one of the 23 enterprise zones.

Growing responsibly

Commerce's Energy Policy Division helped companies throughout the state reduce their business costs. By focusing on energy efficiency, the division promotes business investment in equipment and practices that pay for themselves by lowering energy expenses. Energy Policy also encourages sustainable business development, illustrating that economic growth is compatible with preserving our environment while providing economic opportunity for future generations.

Energy Policy continues to help keep Indiana's air clean. In 1999, we helped central and northwest Indiana become members of the national Clean Cities program and, through our Emission Control program, helped nearly 4,000 motorists throughout the state reduce their auto emissions.

These efforts generate new jobs for Hoosiers and encourage companies to use the latest cutting-edge equipment in their processes. In fact, energy programs not only help Indiana companies grow responsibly, but also bring new companies and organizations to our state.

A year of progress

Commerce enjoyed one of its finest years in 1999 – one of the best years for economic development in the history of our state. We increased our global competitiveness and made Indiana more accessible through the Internet. Hoosiers are working at better jobs and living in stronger, safer communities. Our businesses have grown at a tremendous pace, and they've done so responsibly.

Even better, most of the jobs created by these projects are the best kind – those at high-growth, high-wage, high-skill, high-tech companies.

In fact, Indiana's ability to grow those jobs was strengthened with the help of the Indiana General Assembly. Commerce can now make available funds for high-tech infrastructure like fiber optic cable. Local officials had their ability to offer tax credits

for research and development extended, and gained the power to provide tax abatement for research and development equipment. Access to capital for high-growth enterprises has also increased, through the \$50 million 21st Century Research and Technology Fund and the expansion of the Indiana Development Finance Authority's Capital Access Program. The economic environment for financial services organizations and holding companies was improved by the elimination of the financial institutions tax and new demutualization and mutual holding company legislation for the insurance industry.

Preparing for the future

We know the job isn't done. In 2000, Commerce is taking strides to make Indiana's economy even stronger.

As the economy evolves, we must be ready to change too. That's why Commerce has created an e-commerce Division, led by Amy Conrad Warner. The division supports and encourages Internet-based communication between businesses, the public sector and its customers. It also focuses on e-business as a force in retention, expansion and attraction.

Commerce has updated its web sites – Indianacommerce.com, EnjoyIndiana.com and IndianaINsites.com.

Indianacommerce.com, the agency's main site, provides a detailed introduction to Commerce. It's easy to navigate and provides quick links to other agencies and offices vital to economic development. Our tourism marketing efforts will be transformed by EnjoyIndiana.com, a site that allows potential visitors to explore, plan, map and book their entire trip to Indiana. Finally, when IndianaINsites.com is unveiled, it will make finding a business location in Indiana a state-of-the-art process. By linking interested companies to development officials throughout the state, we put Indiana at the forefront of on-line business development efforts.

We now have a technology roundtable to keep things moving in the right direction for Indiana's high-tech economy. The group is composed of industry executives and community leaders who will provide direct feedback on Indiana's technology initiatives. This is key to our efforts to grow our existing high-tech companies and encourage new businesses to locate in our state.

We also have established the Technology Enhancement Certification for Hoosiers, or TECH, Fund. The TECH Fund pools \$1 million to support existing Indiana companies that want to train employees in software development, systems networking, engineering and other e-business applications. This pilot initiative helps strengthen our workforce, encourages companies to increase their high-tech capabilities, and provides important feedback to the state on the most pressing needs in our technology workforce.

This report shares many of our top successes from 1999, but we continue to look forward. Indiana is already a leader in today's economy. We must now continue building on that strong foundation – that's what truly makes Indiana a state of progress.

Indiana by the



world offices: Buenos Aires, Argentina; São Paulo, Brazil; Toronto, Ontario (Canada Office); Santiago, Chile; Hong Kong, China; Amsterdam, the Netherlands (Europe office); Yokohama, Japan; Seoul, Korea; Mexico City, Mexico; Singapore; Johannesburg, South Africa; Taipei, Taiwan.

Community Planning Fund grants awarded = \$250,353
Communities assisted = 32
Investment leveraged = \$384,065

NAP tax credits awarded in fiscal year 1999 = \$2.5 million
Organizations assisted = 66
Counties served = 47

CDAG funds awarded in fiscal year 1999 = \$1.99 million
Investment leveraged = \$3.75 million
Organizations assisted = 47
Counties served = 70

Enterprise Zone businesses reporting for 1998 = 1,700
Total tax savings = \$37.3 million
Total reinvestment = \$494.6 million
Zone residents impacted = approx. 115,000

Industrial Energy Efficiency Fund monies
awarded = \$1.3 million
Investment leveraged = \$5.4 million
Companies assisted = 7
Jobs impacted = 247

Recycling Promotion and Assistance Fund monies
awarded = \$1.4 million
Investment leveraged = \$2.8 million
Companies assisted = 6
Total annual energy savings (in gallons of
gasoline) = 3,041,901

Total Energy Policy grants and loans = 32
Amount awarded = \$3.5 million

EDGE funding = \$133.7 million
Investment leveraged = More than \$3 billion
Jobs created = 10,377
Companies assisted = 13

Training 2000 funding = \$13.9 million
Investment leveraged = \$1.9 billion
Jobs impacted = 61,410
Companies assisted = 210

IDGF funding = \$3.6 million
Investment leveraged = \$289 million
Jobs impacted = 2,446
Companies assisted = 24

Trade Show Assistance Program Funds awarded = \$227,722
Companies assisted = 56
Countries visited = 15
Companies new to exporting = 12

TIPF funding = \$365,000
Investment leveraged = \$864,000
Organizations assisted = 33

Community Focus Fund grants awarded = \$29.6 million
Communities assisted = 76
Investment leveraged = \$36.5 million

Community Focus Fund Planning grants awarded = \$1.1 million
Communities assisted = 32
Investment leveraged = \$140,667

Indiana Exports



numbers

Companies assisted by Business Development in 1999





Through a partnership with Commerce, the Michigan City Child Care Consortium provides opportunities to more children than ever before.

Uniting businesses, the workforce and families in

Michigan City

Hoosiers want to work. In fact, more Hoosiers are working now than ever before...yet working families are facing special challenges in the workplace. The past 55 years have seen the proportion of single-parent and dual-wage-earning families grow exponentially in Indiana.

When Dr. Jan Katz gave birth to her son Josh in 1989, she quickly became aware of a void in her community. She needed to return to her clinical psychology practice, but worried that she couldn't find a reliable caregiver for her son, so she worked with area employers to conduct a formal childcare needs assessment.

The group discovered that they shared complementary concerns: Parents need quality care for their children, and successful, cutting-edge communities require a reliable workforce. So the group formed the Michigan City Child Care Consortium and by 1994, the Imagination Station Childhood Development Center had opened for business. This pilot program united eager young minds and university-educated teachers.

"There were still no licensed daycare slots available for LaPorte County children under the age of two," said Katz. "Our current facility just couldn't handle infants and toddlers...never mind that our center was already filled to capacity with only 26 spaces."

Commerce granted the Consortium \$150,000 from its Strategic Development Fund in 1999 to help the organization build a new facility. Now, it will offer round-the-clock childcare and early educational opportunities to more than 90 children, from newborn to school-aged.

Initiatives like these that unite business, the workforce and families are fueled by a level of resourcefulness that builds world-class communities. That's something Commerce is always quick to support.

Better childcare, better business

Hoosiers recognize that childcare is a vital part of economic development. That's why communities throughout the state partner with Commerce's Community Development Division to improve the care in their area.

In 1999, the division awarded almost \$1.9 million in Community Focus Fund grants to help communities establish or expand childcare facilities. Some of these facilities also house vital community functions such as health and family support services and Head Start. When a community can better raise its children, it also becomes a better place to grow a business. Making that connection work for Indiana is one of the most important things we can do.



New Albany

A prescription for downtown growth

Indiana's economy is moving forward at a terrific pace, but there's always room to do more. That's what leaders in New Albany and Jeffersonville had in mind when they looked for an extra shot in the arm for downtown redevelopment.

The downtowns in those communities are now home to two new enterprise zones – a major benefit to the businesses and residents.

The two zones, which span just over 2 square miles in each downtown area, create increased opportunities for more than 15,000 zone residents. By offering tax incentives and credits to area businesses, the enterprise zone program encourages investment and redevelopment in urban areas.

"The Urban Enterprise designation will allow the city to continue with its progress toward downtown revitalization," said David Duggins, assistant director of redevelopment for Jeffersonville. "Zone designation will

provide Jeffersonville the catalyst needed toward growth and redevelopment through tax incentives, jobs skills training and – most importantly – leadership."

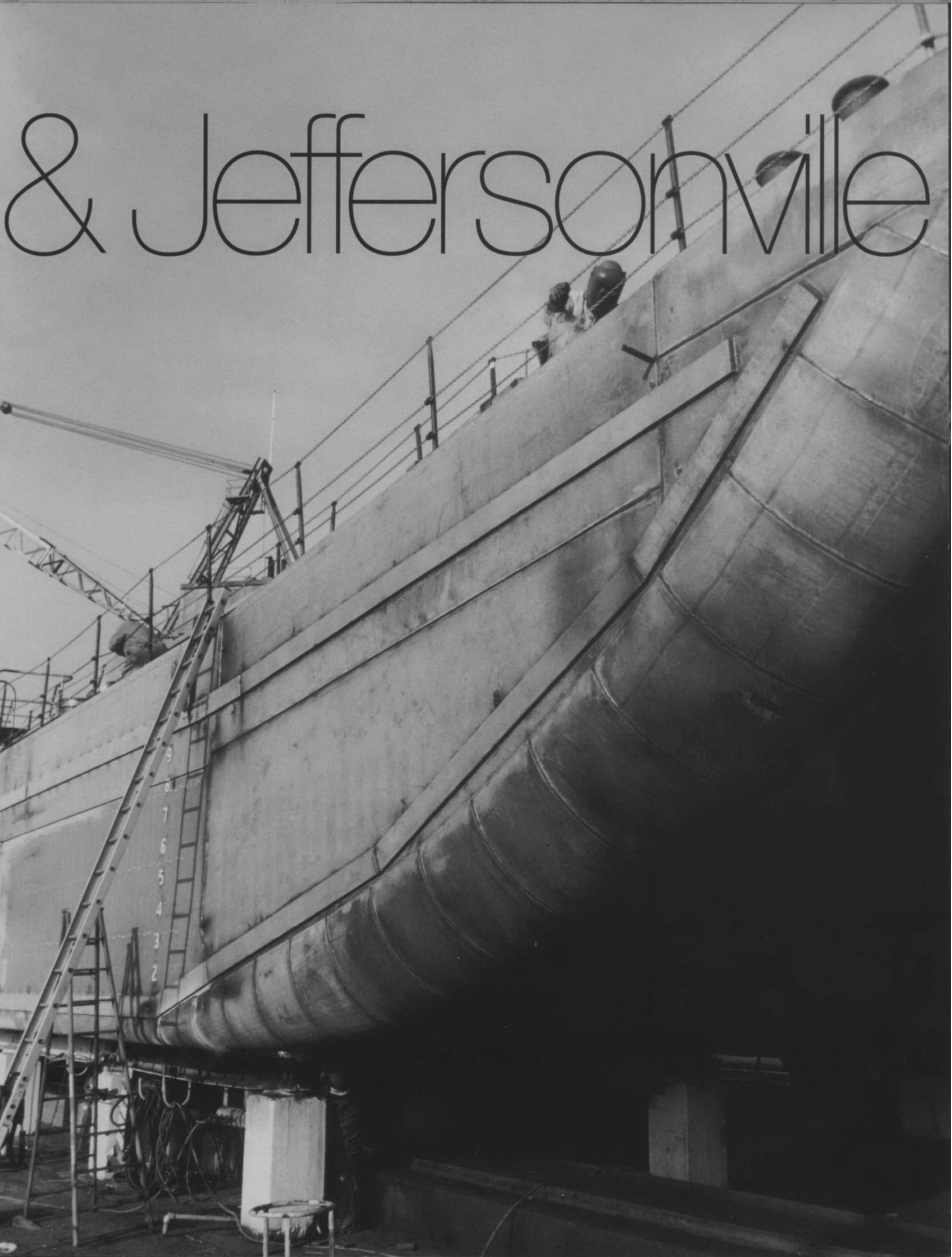
Jeffboat LLC (pictured) is one of many local businesses that will benefit from the new zone in Jeffersonville. In turn, it will be active in hiring zone residents – creating an even stronger bond between zone businesses and the people who live there.

The Community Development Division administers the Enterprise Zone program for 23 zones throughout the state. In addition to encouraging redevelopment, zones also create opportunities for increased public housing and brownfield redevelopment. Any way you look at them, Indiana's enterprise zones are an all-around prescription for a healthy economy.



Jeffboat LLC benefited from the new enterprise zone in Jeffersonville, and zone residents will benefit from the company's good jobs.

& Jeffersonville





Main Street turns high-tech

Richmond

Commerce support helped link this Main Street with the information superhighway.



In its youth, Richmond was a gateway to Indiana on the Old National Road, serving as a symbol of new opportunity in a growing country.

Now, Richmond wants to be a gateway to opportunity again – but for a new age, and a new economy.

Main Street Richmond/Wayne County (Main Street RWC) launched its High-Tech Initiative in 1999 to create a high-tech zone in its “Uptown” area. With help from Commerce’s Strategic Development Fund, Richmond will assess its high-tech needs, market itself as a high-tech destination and establish a training program to link its skilled workers with growing high-tech businesses.





Main Street RWC was also able to leverage funding from its Urban Enterprise Association, the county's economic development group, Richmond Power and Light, the local economic growth group and the City of Richmond to help complete the project.

Indiana Tourism's Main Street program has worked closely with Richmond for 13 years, and has helped its downtown vacancy rate plummet from 28 percent to about 3 percent. Establishing a high-tech zone, though, was a brave new step.

"Our organization has focused our energies in creating an environment uptown that was conducive for investment to

thrive," said Renee Oldham, director of Main Street RWC. "We realized that it would take a community in collaboration to develop a viable city center. The technology initiative is reflective of that philosophy – partnering with organizations throughout the community. For a community of 38,000 people, that is impact – proactive and innovative."

In recent years Main Street RWC has seen 22 businesses open, four companies expand and 17 facades rehabilitated in its "Uptown" area.

In Richmond, effort and ingenuity are rapidly closing the gap between Main Street and cyberspace.

Going global in

Huntertown



It's a long way from tiny Hometown, Ind., to Munich, Germany. But for Windamatic Systems Inc., connecting those two worlds is all in a day's work.

Windamatic, a producer of stator winding and assembly machines, has a strong presence in the international market, including operations in 10 overseas markets. Trying to capitalize further on its export success, Windamatic attended the Productronica trade show in Munich in 1999.

Terre Haute

To do so, Windamatic used the International Trade Division's Trade Show Assistance Program, just as it has used 10 of Commerce's 12 international offices over the years.

"Competing in an international arena requires a lot of planning and proper exposure," said Harold Kamp, international sales manager for Windamatic. "With Commerce's assistance, we were able to expose our product to a number of new markets and tap into a network of trade offices across the globe."

This year, Glas-Col in Terre Haute will also be able to make a trip to Munich with Commerce assistance. The company will showcase its laboratory equipment, which is already used in 26 countries worldwide, at Analytica, one of the biggest annual medical technology shows.

Both Windamatic and Glas-Col are small companies, with about 60 and 100 employees, respectively. In fact, small exporters are the kind that Commerce can help most by offering connections, services and resources worldwide.

The successes of Windamatic and Glas-Col have not happened overnight — they're long-time international players — but they clearly prove that the global marketplace can be part of the future for all companies. A future that provides progress for Indiana and progressive products for the world.



Wheatfield

A boost for the economy and the environment

At Commerce, we know economic development is vital to Indiana's future. We also know our natural resources need to be protected for future generations. Luckily, those two efforts go hand-in-hand. That was clear when Georgia Pacific Gypsum (GP Gypsum) opened the doors to its new facility in Wheatfield.

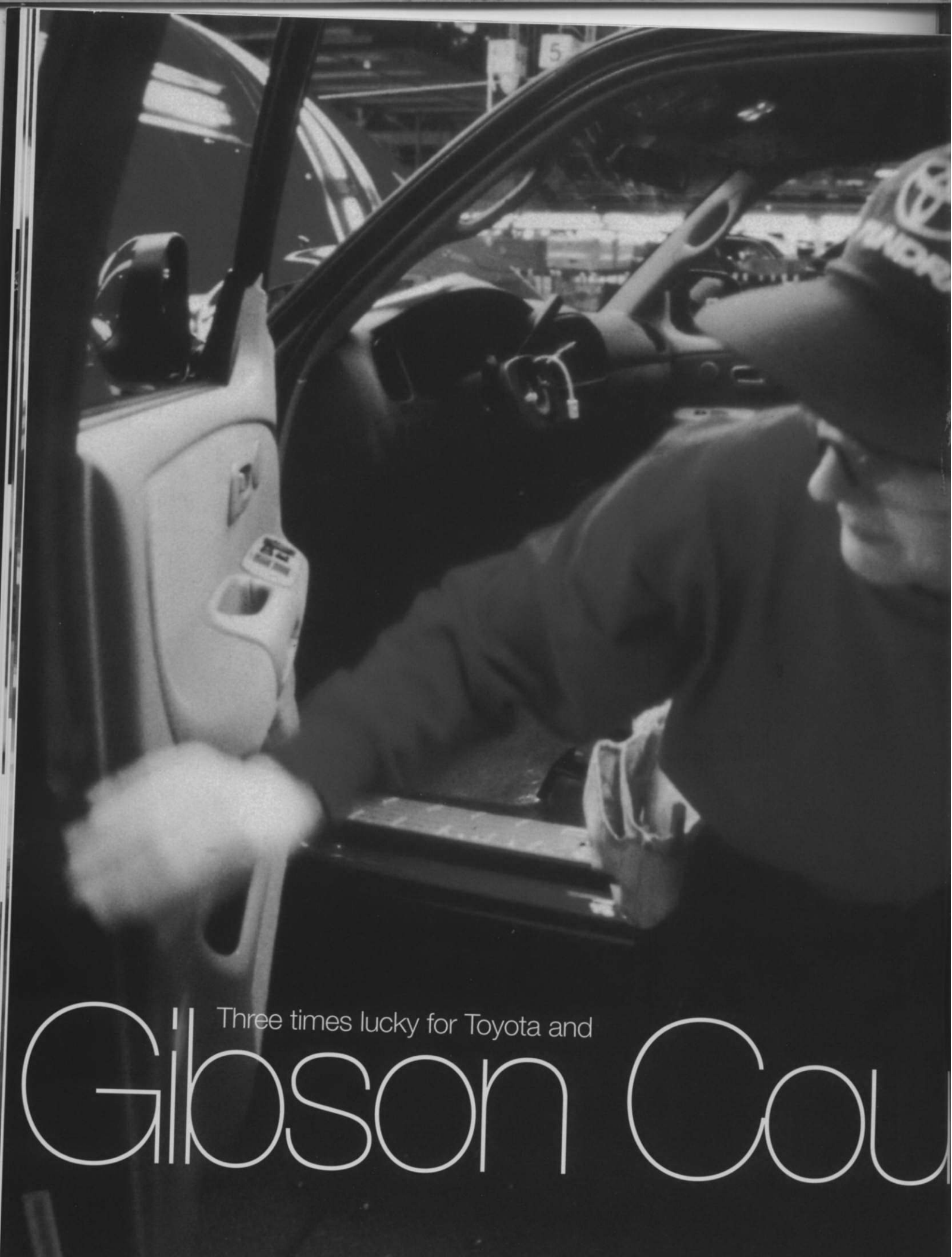
GP Gypsum, one of the largest producers of gypsum products in the nation, brings a \$65 million investment and 75 new jobs to Wheatfield, but it also brings a great example of sustainable development. In fact, nearly 100 percent of GP Gypsum's final product will be recycled. That's because the company is making its product from FGD synthetic gypsum that was previously landfilled by the nearby NIPSCO (Northern Indiana Public Service Company) site.

"We are proud to be a part of the Wheatfield business community and excited about the role our employees and facility are playing in Georgia-Pacific's growth in the gypsum industry," said Curt Rikken, plant manager. "Our company takes its environmental responsibility very seriously, a fact that strongly influenced our choice of plant location. In Wheatfield, we're able to produce a high-quality, low-cost product while providing an environmentally sound and productive use for NIPSCO's high-quality synthetic gypsum."

It's only fitting that Commerce's Energy Policy Division, which supports recycling efforts throughout the state, helped GP Gypsum decide to locate in Wheatfield. In addition to state and local business incentives, Energy Policy's \$500,000 Recycling Promotion and Assistance Fund (RPAF) loan made Indiana the best option for GP Gypsum.

That's economic development that makes sense – for today's Hoosiers and tomorrow's.





Three times lucky for Toyota and

Gibson Cou

Strong foundation, strong future

In an ever-changing economy, it's important to keep building on traditional strengths. That is what Indiana's automotive industry has done.

Part of the state's economic foundation, the automotive industry realized continued success in 1999. Commerce projects impacted more than 10,000 workers and leveraged a capital investment of nearly \$1.4 billion at

automotive companies in the state.

It's often said that the third time is the charm. You'll have no problem convincing the Gibson County workforce of that adage. In December, Toyota Motor Manufacturing, Indiana announced plans to

These companies are also part of Indiana's advanced manufacturing strength – manufacturing that adapts to and utilizes the high-tech sector of today's economy. This translates to better jobs for Hoosiers and increased production for Indiana companies.

Strong foundation. Strong future. That's a nice picture for all Hoosiers.

expand its operations in southwest Indiana with an \$800 million investment and 2,000 new jobs. This marked the third time in the last four years it had selected Gibson County as the site for a major growth project.

Indiana has meant success for Toyota so far. In fact, the hot-selling Tundra was named "Motor Trend Truck of the Year" – the product of a skilled Hoosier workforce.

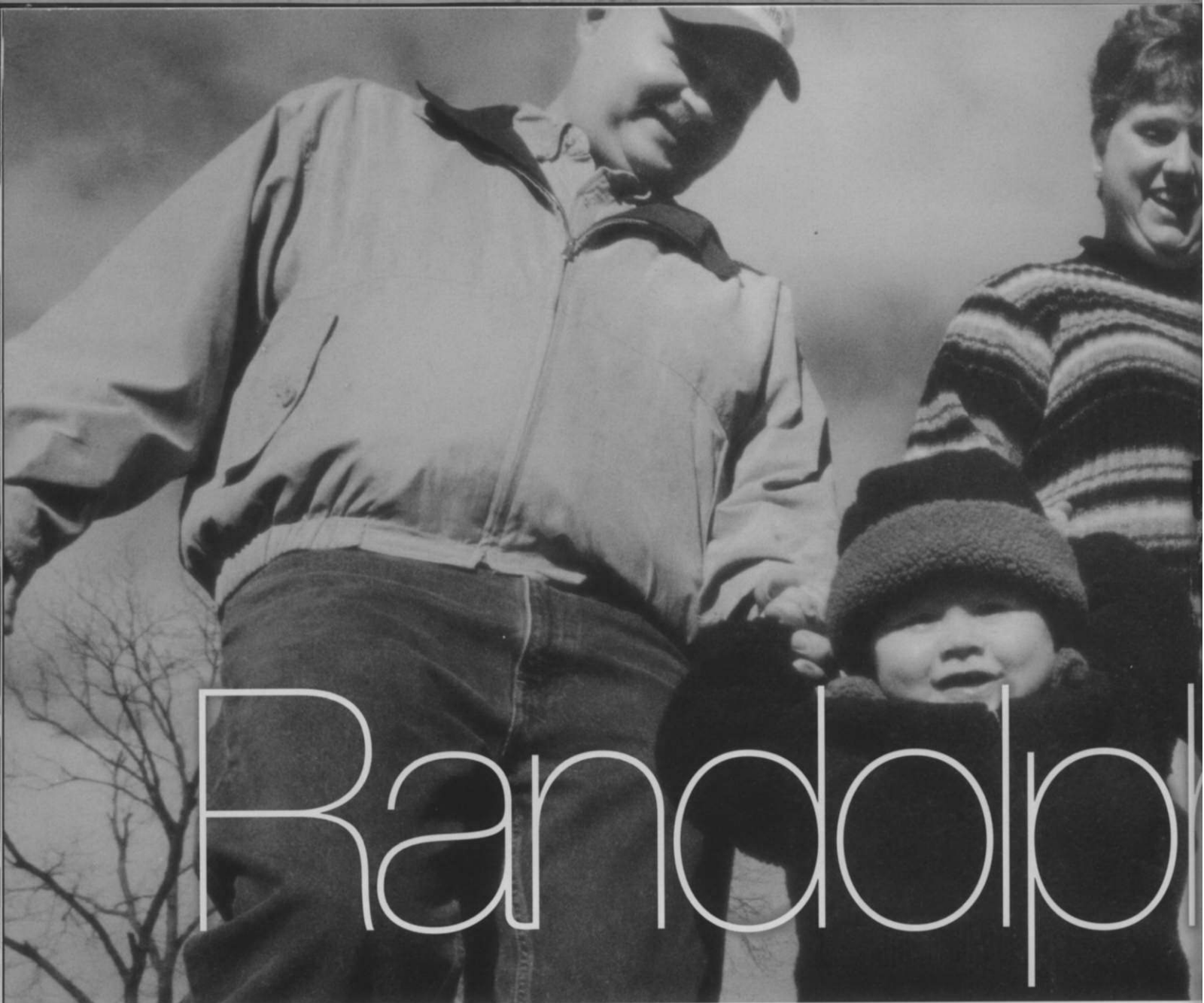
"The quality of our Hoosier workforce is the primary reason for our early success," said Toyota spokesman Mike Goss. "The support received from the state of Indiana is another critical factor in the company's decision to double its capacity and employment in Gibson County."

Toyota announced its decision to bring the expansion to Indiana on December 20 – you might say Hoosiers had a very happy holiday season.



The skilled Hoosier workforce was vital to making the Tundra the "Motor Trend Truck of the Year" – and in convincing Toyota to expand again in Princeton.

nty



These are good economic times for Indiana, but in Randolph County, 1999 began with economic unease. The county's unemployment was at nearly double digits, compared with the statewide average of about 3 percent.

The county's rate is falling significantly now, thanks in large part to two key economic development partnerships. That's progress, and it's something that Commerce is proud to support.

Two new automotive companies – MEC (Masco Engineering Corp.) Indiana and Workhorse Custom Chassis – opened their doors in Randolph County in 1999. That meant a total of almost 600 new jobs for area Hoosiers.

On June 2, Governor O'Bannon helped open the new \$31.4 million Workhorse Custom Chassis facility in Union City – not by cutting the ribbon, but by breaking through it on one of the company's new truck chassis. And just one week later, the lieutenant governor welcomed MEC Indiana to Winchester at the grand opening of its \$15 million auto parts facility.

"Our state and local partnership made these two projects possible," said Rick Lopez, executive director of the Randolph County Community and Economic Development Foundation. "Together with four other new projects, 1999 brought \$128 million in new investment and a total new payroll projected at \$30 million."



Mary Anderson (center) is now employed at MEC Indiana, whose June opening in Winchester helped reduce the county's near-double-digit unemployment.

Working together, benefiting together

Record-low unemployment is good news for almost everyone – except the company that can't maintain a skilled workforce.

That's why the Indiana Department of Commerce hosted the Indiana Workforce Symposium in October. It brought together companies



and economic leaders from around the state to discuss the best practices in recruiting, training and retaining a skilled workforce.

Each company that attended gained new insights to help solve its tricky workforce issues. Through increased flexibility, increased childcare, job sharing and creative worker incentives, it's clear that a company can benefit from a skilled, stable workforce even with unemployment below 3 percent.

Collaborating to make a good situation even better – that's what progress is all about.

Warsaw

Orthopedics capital of the world

We know that existing industry is the backbone of the economy. In Warsaw, they take that phrase literally. Home to orthopedic giants Zimmer, DePuy and Biomet, Warsaw is the orthopedics capital of the world. Over the years, Commerce has helped each of those companies expand and succeed. And in 1999, spinal and neurological products leader Medtronic Sofamor Danek was seeking a site for a major expansion.

The company already employed more than 200 workers at its facility in nearby Winona Lake, but it faced a decision: take its \$20 million investment and those jobs elsewhere, or keep them in Warsaw and add 140 new jobs. It chose Warsaw, of course, and boosted the area's medical technology industry, which employs nearly 1 in 5 people in the county, to even greater heights.

Medtronic Sofamor Danek joins more than a dozen Warsaw companies involved in orthopedics and medical technology – truly making Warsaw a cutting-edge community. “Warsaw is a key area for medical technology,” said Bill Reynolds, vice president and general manager for Medtronic Sofamor Danek Manufacturing. “There were two major reasons for our decision to expand in this area: the strong level of support we received at the state and local levels for our expansion plans, and the workforce availability.”



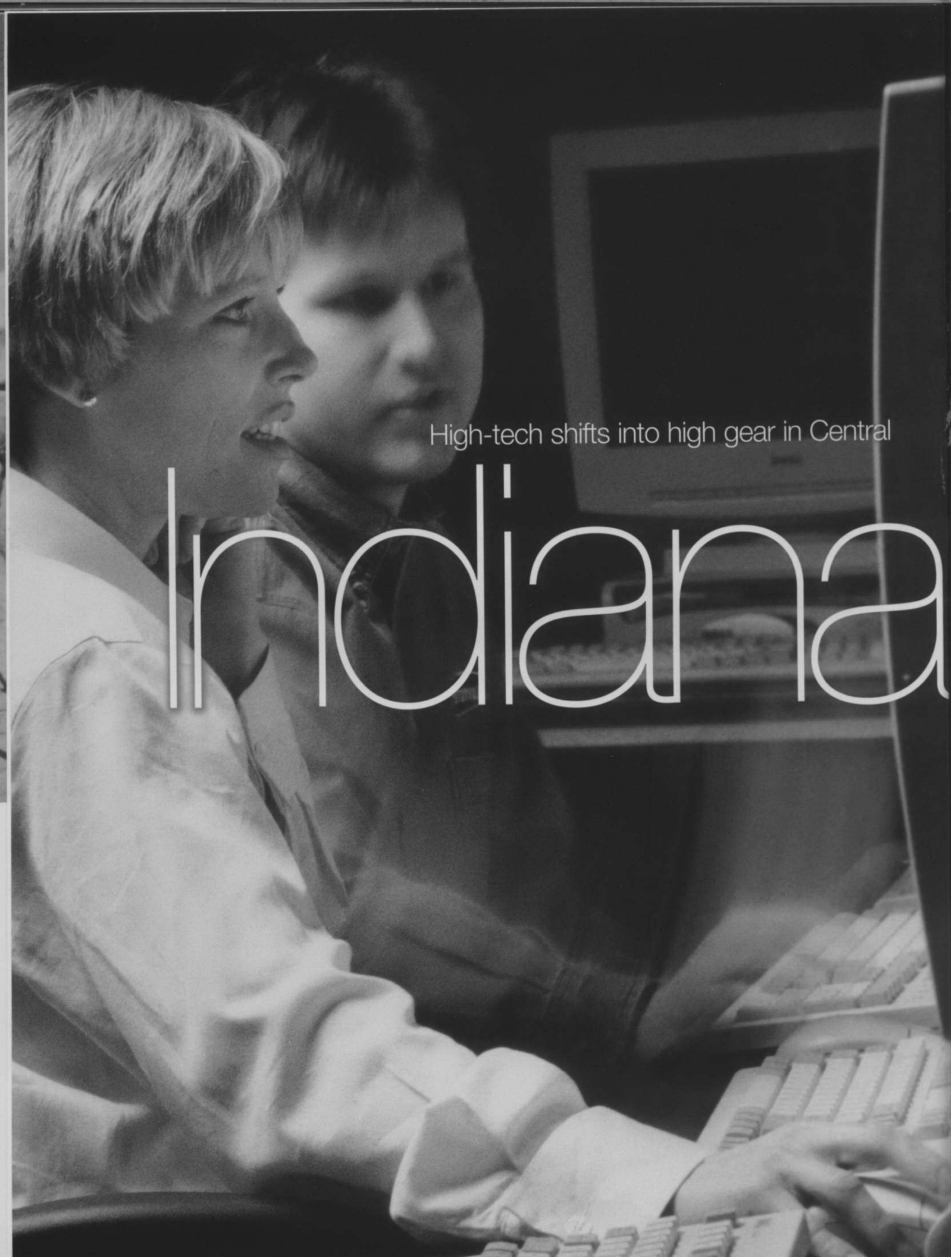
Talking the talk, walking the walk

A thriving medical technology cluster helps build more than just an economy. It helps Hoosiers live happier, healthier lives.

Just ask Lt. Governor Joe Kernan.

In 1996, when Kernan needed hip replacement surgery, he didn't have to look far for the right equipment and expertise. His new hip came from Warsaw – proving that when it comes to economic development, he doesn't just talk the talk; he walks the walk.





High-tech shifts into high gear in Central

Indiana



*Sowing technology, reaping jobs
Keeping a high-tech company
like Aprimo in the state was a
tremendous success. The seeds for that,
however, were sown long before 1999.*

*In 1996, Software Artistry
was looking to expand its high-tech
operations. It could have gone
elsewhere, but with help from the
Department of Commerce the company
added hundreds of jobs in
central Indiana.*

*That turned out to be a good
move for Indiana. In fact, the top
officials at Software Artistry went on to
form three more successful high-tech
firms in Indiana – Interactive
Intelligence, Escient and, you guessed
it, Aprimo.*

Aerospace engineering. Communications testing. Internet-based marketing. Those are just some of the high-tech sectors that grew in central Indiana in 1999.

In February, Bombardier Commercial Aviation Services brought a new aircraft parts distribution and technical operations support center to Indianapolis, along with 200 new jobs.

In June, it appeared clear that Wavetek Wandel Goltermann, a central Indiana communications test company, was leaving the state and taking 278 Hoosier jobs with it. Instead, the Department of Commerce partnered with local officials to help convince Wavetek to stay – and to add 200 new high-wage jobs.

Then in October, Aprimo (then called Attune) decided to more than double its high-tech workforce in Carmel. The Web-based marketing company invested \$3.1 million in its headquarters and created 49 new high-tech jobs.

“The state’s efforts to attract leading high-tech businesses and keying in on Central Indiana’s pool of qualified workers played a major role in our expansion plans,” said Bill Godfrey, president and CEO of Aprimo. “As a result, Indiana will be a direct beneficiary of Aprimo’s rapid growth on the domestic and international fronts.”

That all adds up to an impressive year. What’s more impressive is that each of these projects could have gone elsewhere, and competing states were aggressively pursuing the companies. They chose instead to grow in central Indiana – the same decision other high-tech companies such as Hitachi Data Systems, Telamon Corp. and Diversified Systems Inc. made in 1999.

Lilly creates 7,500 new high-tech jobs in

What better way to stimulate an economy's health than 7,500 new jobs in the medical technology industry? That's precisely what will happen over the next 10 years as Eli Lilly and Company makes a \$1 billion expansion at its Indianapolis headquarters. The expansion – the biggest economic development project in Indiana's history – was announced in July 1999. Even though other states were competing for the expansion, a strong partnership by state and local development officials helped keep Lilly's growth in Indiana.

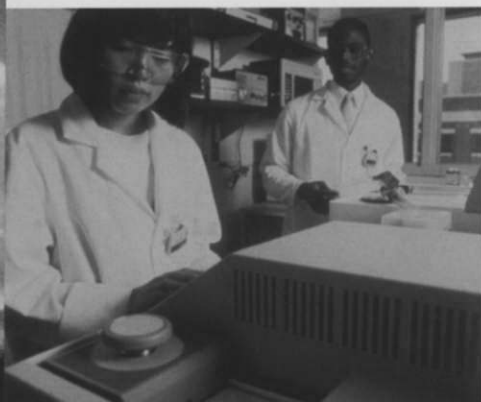
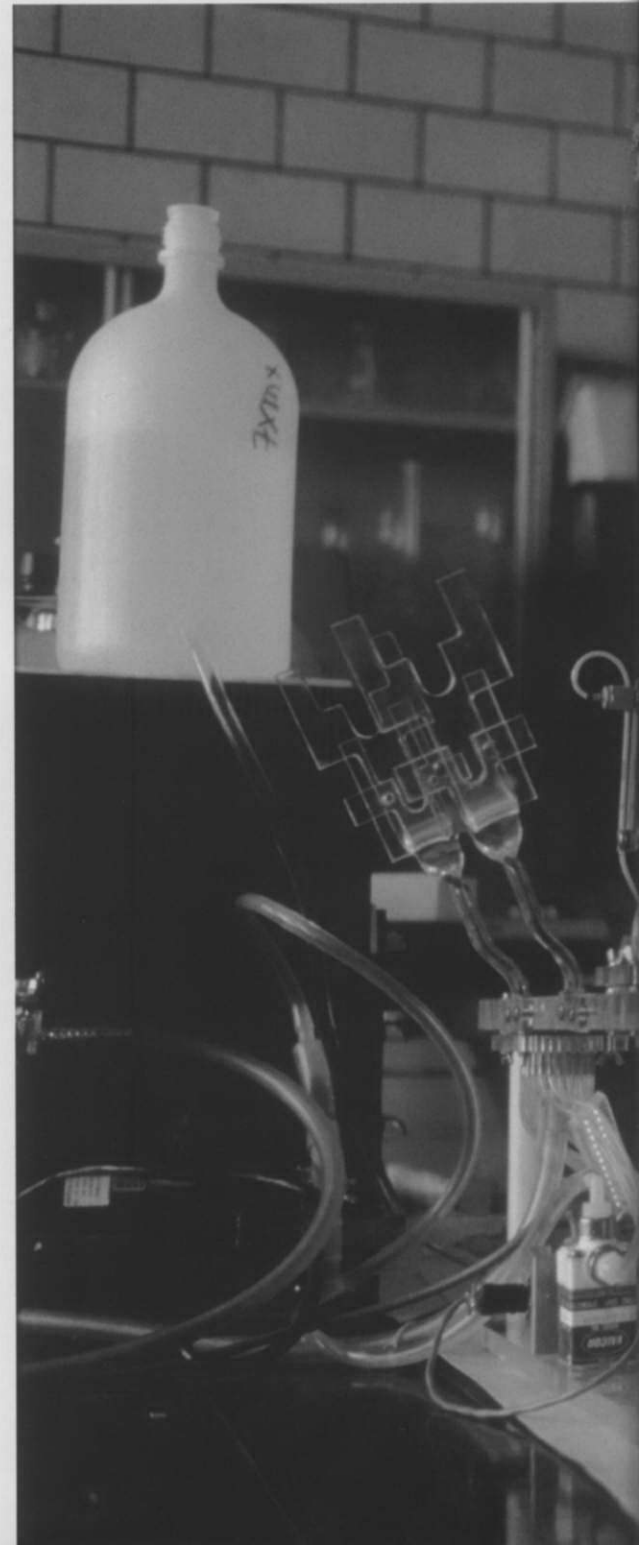
"Eli Lilly and Company has been a significant part of Indiana's success for well over a century, and we're delighted to be an important part of its future," says Sidney Taurel, the company's chairman, president and CEO. "We are confident in our business strategy and in our employees' ability to implement that strategy. We look forward to another century of growth and prosperity in, and with, the city of Indianapolis and the state of Indiana."

The sheer number of jobs created by this expansion is impressive, but the fact that they're high-wage jobs at a world-class company is just as important. Lilly is already a world leader in pharmaceuticals, operating major research and development facilities in nine countries with an annual research and development budget of more than \$2 billion, and conducting clinical trials in more than 30.

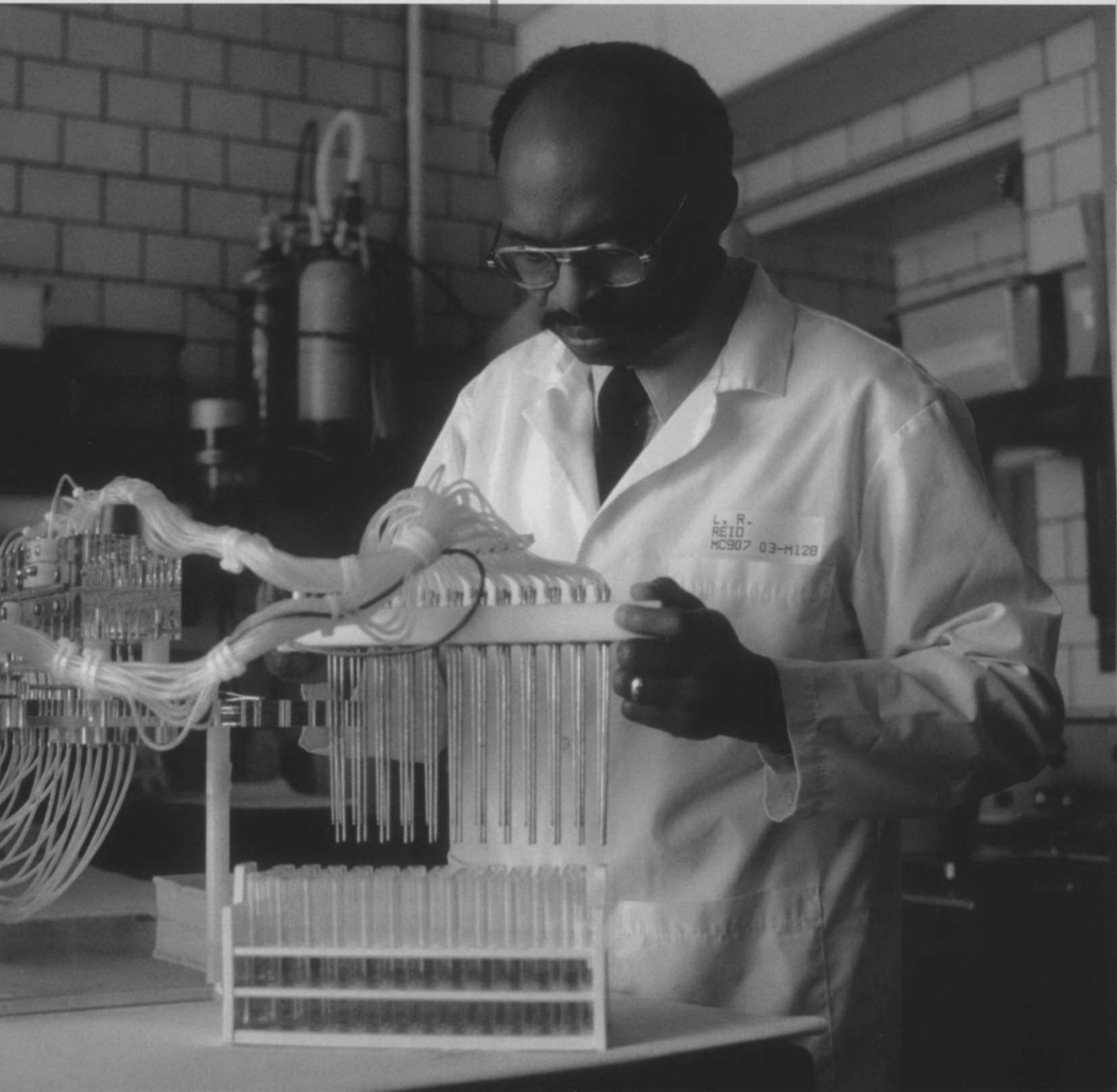
The project will literally change the face of Indianapolis' near Southside. The company has plans for a new childcare center, laboratories and office space, plus upgraded existing facilities. In addition, infrastructure improvements surrounding the expansion include roads, parking lots, walkways and utilities.

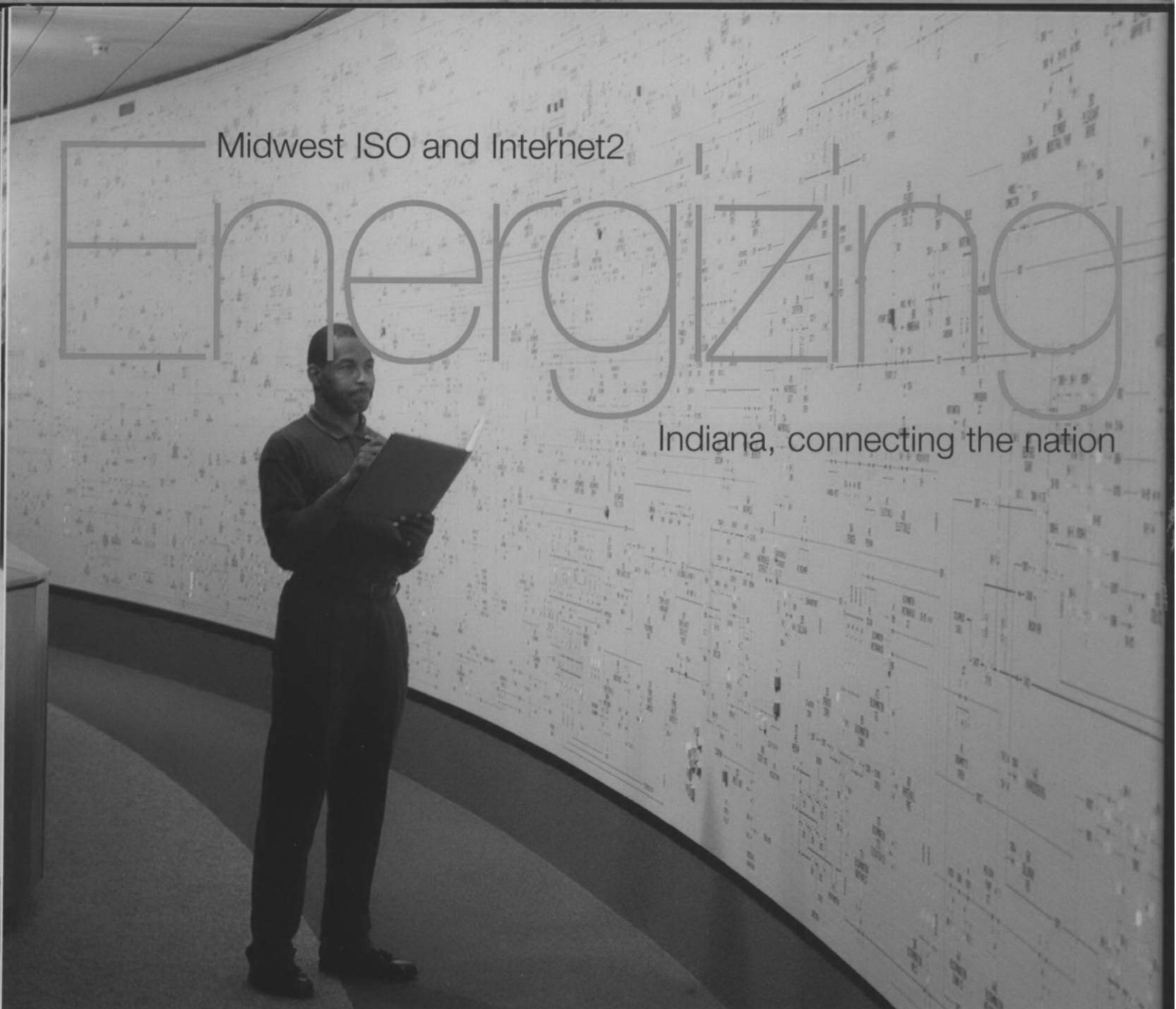
Eli Lilly's products help people around the world lead healthier, happier lives – and its increased production is a major shot in the arm for Indiana's economy.

Ind



anapolis





Midwest ISO and Internet2

Energizing

Indiana, connecting the nation

Indiana has long been known as the "Crossroads of America" due to its tremendous road, rail and water transportation system. When Carmel became the new headquarters for Midwest Independent Transmission System Operator Inc. (Midwest ISO), Indiana also became the "Energy Crossroads of America." That's because Midwest ISO operates more than 60,000 miles of transmission lines and 85,000 megawatts of electricity for 14 states.

In addition to the efforts by Business Development, the Energy Policy Division was instrumental in making

sure Midwest ISO landed in Indiana rather than in a competing state. In fact, its pursuit of a \$200,000 grant from the U.S. Department of Energy helped lure the organization here.

Meanwhile, IUPUI will play a key role as a hub of the developing Internet2, making Indiana the "Crossroads of Cyberspace." The additions of Internet2 and Midwest ISO are key to the growing high-tech culture of Indiana, and they prove that all roads – not to mention currents and superhighways – lead to Indiana.

In his State of the State address, Governor O'Bannon announced the addition of an e-commerce division at the Department of Commerce. It was a new idea for a new millennium.

The division has six main areas of responsibility: business-to-business communication; e-business as a retention and expansion force; State-to-business communication and service; State-to-customer-and-citizen communication and service; e-business as an attraction force; and agency-to-agency communication and service.

The creation of the division is the first of several developments to make Commerce even more high-tech in 2000. Commerce is also unveiling three new web sites in 2000:

Progress

in e-commerce –
Unlocking a web
of possibilities

indianacommerce.com – This main Commerce site serves as an on-line welcome to the agency. It details all funding possibilities, all division responsibilities and the most current Commerce news. In addition, by offering links to the home pages for Governor O'Bannon, Lt. Governor Kernan and other economic development agencies, *indianacommerce.com* will be a central page for anyone interested in Indiana's economy.

EnjoyIndiana.com – Tourism's new web site serves as an on-line welcome center, with detailed information about Indiana festivals, shopping, attractions and activities. With most travelers using the Internet to help plan trips, this is a vital tool for economic development.

IndianaINsites.com – This site streamlines the way businesses hunt for sites in Indiana. By linking the state's entire network of economic development offices, this site creates a virtual warehouse of Indiana's development possibilities. Users can find their specific needs for growth all from the security and efficiency of their office computer – truly a breakthrough in how we do business.

Indiana had one of its best years ever in 1999. With these developments on the way, 2000 looks like it holds a very bright picture for the future – one that includes a flourishing high-tech culture, and a more efficient approach to economic development.



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